

The Enabling Goal

Enabling Goal	Objective	Key Measure/Activity
→	→	
Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance	E.1 Recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families	Activity Enhancing Accountability for Performance
	E.2 Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as benefits and services VA provides.	Activity Communications
	E.3 Implement a <i>one VA</i> information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.	Activity Enterprise Architecture
		Activity Information Security Program
		Activity Telecommunications Modernization Project (TMP)
	E.4 Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.	Key Measure Ratio of collections to billings
		Key Measure Dollar value of sharing agreements with DoD
		Activity Program Evaluation
		Activity Budget Account Restructuring
		Activity Capital Asset Management

VA's enabling goal is different from our four strategic goals. This goal and its corresponding objectives represent crosscutting activities that enable all organizational elements to carry out the Department's mission. VA's functions and activities focus on improving communication, enhancing the work force assets and internal processes, and furthering an integrated Department approach to providing service to veterans and their families. As such, many of these functions and activities are not apparent to veterans and their families. However, they are critical to our stakeholders, VA managers and employees who implement our programs.

The Procurement Reform Task Force report of May 2002 recommended the establishment of a comprehensive corporate-level function to oversee VA's business processes. To support that recommendation, the Secretary of Veterans Affairs established the Business Oversight Board (Board) on August 14, 2002. The Board serves as the Department's senior management forum on business activities and is chaired by the Secretary of Veterans Affairs. The Board's mission is to review and oversee performance, efficiency, and effectiveness of Departmental business processes. The business processes include, but are not limited to, procurement, collections, capital portfolio management, and business revolving funds. Activities currently being reviewed by the Board include procurement reform, medical care collection fund, consolidated mail outpatient pharmacy, and capital asset management. The Board will identify, monitor, and manage key business issues facing VA; review and approve the Department's business activities planning, performance planning, and performance reporting documents; monitor the processes of the Supply Fund Board, VHA Acquisition Board, and Franchise Fund Board; and monitor business processes efficiency, effectiveness and goal attainment.

The following table identifies estimates of the total resources devoted to this strategic goal and its associated objectives:

Resources by Objective		
	FY 2004 Obligations	% of Total VA Resources
Total VA Resources	\$69,743	100%
Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.	\$759	1.1%
Objective		
E.1 Recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families	\$130	0.2%
E.2 Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as benefits.	\$19	0.0%
E.3 Implement a <i>one VA</i> information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.	\$81	0.1%
E.4 Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.	\$529	0.8%

Recruit, Develop, and Retain a Committed and Diverse Workforce

Enhancing Accountability for Performance

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.1: Recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families.

Situation Discussion

VA employees recently provided their view on workplace issues by participating in the VA Employee Survey. At the direction of VA's Strategic Management Council (SMC), a VA Employee Survey Action Team is expected to lay out specific proposed initiatives with time lines and dedicated resource requirements for various action items. These proposed initiatives will provide leadership and guidance in using the results of the employee survey to enable VA to be an employer of choice and provider of world-class service to our Nation's veterans. The Action Team has benchmarked public and private sectors on employee survey metrics and best practices for action planning and improving employee satisfaction. Team members are developing short- and long-term strategies to address the most critical Department-wide issues that arose from the survey, as well as developing a plan and time lines to: identify actions taken Department-wide; measure change over time; and assess the success of implemented interventions.

The FY 2001-2006 VA Strategic Plan includes a performance measure on the VA Employee Survey. The FY 2006 performance target is an increase of 10 percent in employee satisfaction from the FY 2001 baseline. The implementation of action plans with performance measures and the next administration of the survey will provide the Department with data on how effective the actions have been in improving employee satisfaction, retention, and customer satisfaction. The next VA Employee Survey will occur in FY 2003.

Means and Strategies

Information on the results of the survey will be available on the OHRM Web site and on Administration sites. Administrations will be encouraged to commit resources to follow-up and action planning; hold management accountable for meeting with employees and acting on results; and ensure that employees are aware of results and are given the opportunity to participate in work groups.

The Action Team will recommend that best practices of public and private sector companies be followed. Successful organizations choose themes to work on, develop action plans, and report on progress in implementing actions on a

quarterly basis. A communication plan has been developed and managerial communication will be key to engaging employees and unions in interventions to increase service to veterans. Supervisors will be provided with tools to interpret results and conduct action planning.

The training initiative will include evaluation of current training programs and services at the facility, network, and national levels to determine a centralized policy yet, whenever possible, a decentralized approach for “enhancing the quality and timeliness of everything we do” in meeting Departmental priorities. Department-wide initiatives to continually improve the knowledge and skills needed to serve the veteran, use incentives to link performance to results, and encourage employee empowerment are also planned.

External Factors

Employee satisfaction may be affected by external factors such as the state of the economy and the availability of other employment; more job mobility due to more employees being covered by FERS rather than CSRS; and changes to demographics of the workforce, especially the retirement of older employees and the entry of more young employees.

Veterans Health Administration

VHA annually develops a 5-year strategic plan for the provision of care to eligible veterans through each of its 21 coordinated networks of medical facilities operating within prescribed geographic service-delivery areas. Such plans include provision of services for the specialized treatment and rehabilitative needs of service-disabled veterans, those with low incomes, and veterans with special health care needs.

VHA's strategic planning process renders VA's mission, strategic goals and objectives into strategic objectives, with associated strategies and targets, to guide the daily operations of the health care system and its future direction. The 21 networks use these Strategic Objectives as the framework for their planning activities as well as the structure for their strategic plans. This framework supports VHA's comprehensive performance management system aligning VHA's vision and mission with quantifiable performance measures to track progress in meeting those objectives, holds management accountable through performance agreements for achieving established strategic targets, and advances quality in the context of patient-centered care while maintaining sound resource management.

Much of the information for VA's performance report, VA's strategic plan, numerous Congressional reports, and VHA performance and program analyses are derived from the annual VISN or Network strategic plans.

Beginning late in fiscal year 2002, the planning process began being overseen by a committee of the VHA National Leadership Board (NLB), known as the Strategic Planning Committee (SPC). The SPC is comprised of senior VHA leaders from the field and central office and its purpose is to recommend policies and plans, and to provide oversight for the VHA strategic planning process and initiatives. This includes overseeing the VHA strategic planning process and providing input into the VISN or Network planning process, and ensuring linkage with the requirements of the Government Performance Results Act and the Secretary's priorities.

In the fall of each year, following completion of the annual update of strategic objectives, strategies, measures and associated targets, central office staff will prepare the next Strategic Planning Guidance to initiate the VISN or Network planning cycle. Draft guidance, developed under the direction of the National Leadership Board's SPC, will be shared with both field and central office organizations to ensure that final guidance reflects leadership's priorities, strategic directions, and field concerns. The Networks will develop plans based on this guidance and on additional direction from the VHA offices responsible for fiscal and human resources, information technology, and capital assets.

This planning system enables the networks to address the unique health care needs of the local veteran population. That permits each Network to develop its own strategic plan, budget, and capital plan, all in response to the mission and services associated with the geography, customer segment, business opportunities, operating barriers and other factors specifically present in the Network. The central office role is to enable this process by providing planning guidance.

Although each plan will address similar problems, the individual plans will be unique to each Network and will provide a vast array of actions designed to accomplish the strategic objectives and associated strategies. Additionally, Networks may expand the scope of their strategies and resulting actions in response to unique local issues that go beyond central office's planning guidance and strategic objectives.

Submission of the final VISN or Network strategic plans will be overseen by the SPC, submitted to central office for review and analysis by VHA's Office of Policy and Planning and other Chief Officers. Each plan will be provided to the Deputy Under Secretary for Health for Management and Operations for final evaluation before subsequent approval by the NLB. Clarifications/revisions will be obtained at the time of this review. The process will conclude with feedback from both central office and the field concerning the planning process and its products, strengths and weaknesses, and recommendations for issues to be addressed in the next strategic planning cycle.

An example of VHA's enhancement of accountability for performance includes the Under Secretary for Health chartering the VHA Workforce Strategy Team and the VHA Steering Committee for Succession Planning at the end of 2000 and assigning both groups to develop plans for a comprehensive strategy for work force recruitment, retention, and development by the middle of fiscal year 2001. The final report, as approved by the Under Secretary for Health in December 2001, includes over 100 action items that prescribe a comprehensive succession plan for VHA. These are the six major components of that plan:

- Implement a comprehensive leadership development program based on VHA's High Performance Development Model. To ensure successful implementation, performance standards for senior leaders include the expectation that each facility and VISN will establish leadership development programs using established program criteria.
- Ensure that Workforce and Diversity Planning is integrated into VHA's annual strategic plan. Network Director performance contracts include the requirement to develop annual workforce plans as a component of their strategic plans.
- Ensure that we continually assess and develop instruments that consistently measure, analyze and improve employee satisfaction.
- To ensure VHA is able to recruit, retain and motivate staff, the quality of VHA's supervisory staff needs to be continually developed and enhanced. Specific recommendations from the succession plan are being woven into all supervisory training programs.
- Sixty-three initiatives that require either legislative and/or policy changes have been identified for action and efforts are underway to implement these as rapidly as possible. These initiatives are in the area of: classification, pay and benefits, incentives, performance management, recruitment and staffing, tours of duty, travel and relocation, and leave administration.
- Technical Development Programs that focus on specific disciplines will be implemented in FY 2003. These programs are designed to meet the dynamic changes occurring in VHA and will fund approximately 100 internships each year in a variety of disciplines reflecting the job category priorities established in our workforce/diversity strategic plans. Recruitment and employee development strategies, along with employee retention strategies, are being developed and implemented to ensure that VHA has an effective, diverse workforce to accomplish its mission as our older employees retire. A VHA recruiters' web site will be established to facilitate cooperative efforts for all local recruitment programs. VHA will

partner with other elements in VA to improve public knowledge of and access to VA employment and career opportunities.

To ensure success of the succession efforts, performance contracts for the Network Directors include the requirement to conduct annual workforce assessments and develop plans to meet workforce needs as a component of their annual strategic plans. The success of all these efforts is evaluated and tracked by a Succession Deployment Group, that reports to the National Leadership Board's Human Resource Sub-Committee.

Veterans Benefits Administration

The Secretary chartered the VA Claims Processing Task Force to make recommendations for reducing the claims processing backlog and improving performance and accountability in the Veterans Benefits Administration. In its report to the Secretary, the Task Force provided 34 recommendations for improvements. These recommendations are the basis for VBA's plan to improve performance and accountability and achieve a greater level of consistency in our operations and in the delivery of VA benefits. Implementation of the recommendations is a priority at all levels of the organization and is being given VBA's full attention.

VBA has restructured its headquarters and field management organization in line with recommendations of the Claims Processing Task Force. The purpose of the new structure is to facilitate communications, provide for effective change management, improve span of control, and increase accountability at all levels of the organization. As part of the reorganization, four area directors are established with direct line authority over the regional offices, thereby reducing the span of control over VBA's field operations. This area structure brings more uniformity of operations to the field and assigns specific responsibility for ensuring compliance and accountability for performance. The resource distribution process for our field operations has been revised to link more directly to performance. Resources are no longer distributed to stations based solely on their workload. Performance factors, such as productivity, timeliness, and quality are important variables in the formula now used to distribute resources to regional offices

Under VBA's restructuring, a new Office of Strategic Planning is established in order to centralize VBA's planning efforts. The office will be primarily responsible for coordination of VBA's activities involving national strategic planning, development of long-range strategic plans, and analyzing strategic data to guide future planning efforts. A more focused approach to strategic planning will facilitate VBA's efforts to provide specific and measurable performance targets for the field. It is anticipated that the Office of Strategic Planning will be staffed and operational early in FY 2003.

VBA's new organizational structure also includes the Office of Performance Analysis and Integrity, whose mission is to ensure that the data utilized in evaluating performance is readily available, verifiable and reliable. This new office will analyze data to identify trends and aberrations. This will add a proactive element to VBA's performance management systems. Continued improvement of data collection and reporting systems and more effective analysis of the data will further provide both VBA and its stakeholders with consistent, accurate, and reliable performance information.

VBA continues to use the balanced scorecard as the composite approach to measuring performance. The scorecard has been enhanced to include an additional element, which identifies more discrete, operational measures that contribute to performance improvements. Focus on these operational measures will facilitate identification of processing vulnerabilities and rapid development of management corrections. Comparison back to the corporate scorecard measures will validate management successes.

New performance standards for senior executives in headquarters as well as in the field have been written to build in greater accountability for achieving service/staff and organizational performance goals and objectives. Performance requirements for directors are tied directly to the Secretary's priorities. Specific service delivery goals have been set in accordance with production and accuracy standards. The directors' performance plan also states that if any of the service delivery goals are not met, the director is required to submit compelling mitigating reasons why the goal was not met and identify actions that are being taken to improve the performance.

Another element of the VBA strategy for enhancing accountability is the creation of national performance plans for Rating Veterans Service Representatives and Veterans Service Representatives. VBA believes that these standards will assure that all offices address workload and performance issues in a similar manner. The plans address both production and accuracy standards. Directors are expected to establish complementary performance requirements for all of their managers and their supervisors that support the organizations' ability to meet its goals. National performance standards are also being developed for other positions in VBA, including the decision review officers, loan specialists, and vocational rehabilitation counselors. Implementation of national standards for all positions will help to ensure nationwide consistency in business processes, thereby increasing accountability in all business lines.

National Cemetery Administration

The National Cemetery Administration (NCA) employs a strategic planning model that ensures that strategic goals are linked throughout the organization. Strategic goals are consistent at the national, Memorial Service Network, and cemetery levels. Measurable progress toward meeting NCA's strategic objectives

is reported on a regular basis and communicated to all top-level managers. In addition, NCA has developed and is using consistent performance standards for all cemetery directors that are linked to NCA's strategic goals. These performance standards address specific accountability in the areas of customer service and stewardship, employee and self-development, and cemetery operations.

Improve Communications with Veterans, Employees, and Stakeholders

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.2: Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as benefits and services VA provides.

Situation Discussion

Communication with Veterans

VA conducts outreach and education activities for the veteran community and the general public. We produce benefit booklets, news releases, articles that appear in veterans service organization (VSO) publications, and public service announcements. We also give presentations to schools and community organizations. We will develop a Veterans Benefits Learning Map that will be made available to VSO facilities and state VA offices to help veterans better understand the benefits and services they are eligible to receive.

VA responds to requests from local and national media, veterans and their families, and the public for information on VA benefits, services, and policy. To ensure timely response to veteran inquiries and complaints, VA has developed and currently maintains an Internet access page that allows direct e-mail contact with veterans. The Secretary established field-based regional VSO liaison officers to provide a direct conduit from veterans, veterans service organizations, and state government veterans officials to the Secretary.

VA facilities within specific geographic areas are creating comprehensive directories for veterans and employees that include names and telephone numbers of VA employees, community care providers, and other Federal government service providers. Many facilities develop credit card-size pocket cards that include their important local telephone numbers and/or national 800 numbers.

VA will convene a National Minority Veterans Conference to identify issues facing minority and women veterans and ensure that a comprehensive and effective process is initiated to respond to these issues. The Secretary will also receive periodic counsel from the Advisory Committee on Minority Veterans and the Advisory Committee on Women Veterans.

To increase minority veterans' use of benefits, programs, and services to which they are entitled, VA will use data and information compiled from site visits, annual reports, and studies on its benefits and health care programs to develop initiatives. VA will continue to assess minority veterans program coordinators' activity to educate minority veterans, increase their participation in

VA programs, and minimize barriers to their ability to access health care and benefits. VA will design and publish a fact sheet that will inform thousands of minority veterans and their family members about VA programs, benefits, and services. VA will increase its focus on minority, specialty, and grassroots media as part of its strategic communications effort to reach minority veterans as well as women veterans and those veterans living in rural areas.

VA will conduct town hall meetings and community-based forums to discuss VA programs and benefits for women veterans at different locations across the country and work with field personnel to ensure outreach activities are incorporated into the performance plans of the Women Veteran Coordinators.

Communication with Employees

One key aspect of the Department's One VA initiative is to enhance communications with employees. As part of this initiative, VA held a series of five One VA regional conferences and events to promote increased understanding of VA-wide programs. We have created One VA state councils to oversee collaborative initiatives and improve communication with employees and veterans' advocates.

The Department has also developed the One VA Employee Strategic Plan as a companion document to the strategic plan. This document communicates the Department's strategic framework to all employees. It assists VA staff at all levels to identify how their work contributes to achieving VA's overall mission and goals, thereby improving their line-of-sight connection with the strategic direction of the Department. VA also uses other communication vehicles including VAnguard magazine, the Internet, and videos to communicate the VA strategic direction to employees.

The Office of Public Affairs has implemented an approved VA Communications Plan for the Department. With a focus on strategic communications, the plan provides a coordinated approach to ensure that clear and consistent information is provided to both employees and the public on VA concerns and issues. These communications goals will then be supported throughout VA, with subordinate managers shaping their communications goals accordingly.

The Office of Public Affairs produces a weekly internal information video, "VA News," for broadcast over the VA digital satellite network to all VA facilities. The office continues to produce the quarterly "VA Report" internal information video, extending its length and expanding it into a video news magazine format. All video products will be made available to VA employees and stakeholders groups via the World Wide Web through Internet streaming technology. The Office of Public Affairs, in coordination with Employee

Information Service, will produce a regular internal video focused on developing management skills among VA leaders at all levels. The program will feature interviews of management experts, both within VA and elsewhere, and be available by satellite broadcast and on-demand at employees' desktops.

Communication with Stakeholders and the Public

VA will provide timely and accurate delivery of service and information to all stakeholders including members of Congress and their staffs regarding the results of VA programs, as well as veterans' concerns, including constituent casework. VA will provide more frequent briefings to members and their staffs on VA benefits and services and initiate new member orientations and casework conferences. VA will also ensure that VISN Directors meet at least twice a year with their respective delegations to inform them of progress made in key areas, issues, and veterans' concerns.

VA will use its strategic planning process, including Four Corners strategic planning meetings, to increase internal and external understanding of its strategic direction and priorities. Public service announcements supporting specific VA outreach priority goals (covering homeless veterans, women veterans, Gulf War veterans, and minority veterans) will also be produced for broadcast across the country to help increase public awareness of VA activities and results.

Implement a *One VA* Information Technology Framework Enterprise Architecture

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.3: Implement a *One VA* information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.

Situation Discussion

The *One VA* Enterprise Architecture (EA) performs a key enabling function by assuring that all new information technology (IT) initiatives are aligned with VA strategic objectives and the President's e-government initiatives. This is accomplished by the Chief Information Officer's review and approval process for all IT capital investments, supported by staff assessments for compliance with the enterprise architecture and capital investment planning and oversight. The EA supports the VA mission by:

- Improving and enhancing VA's delivery of service to veterans;
- Eliminating unnecessary redundancy in systems and information across VA's organizational levels;
- Improving IT accountability and cost containment;
- Ensuring that the developing information technology asset base is built upon widely accepted industry standards and best practices.

The *One VA* EA is the primary authoritative resource to inform, guide and manage decisions within VA for enterprise IT throughout the entire life cycle of planning, programming, budgeting, developing, integration, test/certification, deployment and in-service support. It addresses the entire spectrum of IT across VA. And, by using a business-focused, top-down approach in the development of the *One VA* EA, it acts as a key enabler for optimizing the program/business value and mission performance of the Department's systems.

On April 4, 2001, the Secretary of Veterans Affairs testified before the House Veterans' Affairs Subcommittee on Investigations and Oversight and promised to reform the current out-of-date information technology architecture in use at VA. He pledged to identify a new Enterprise Architecture that will end the current practice of maintaining "stovepipe" systems designs that use incompatible systems development, and he pledged to end the collection of data that does not yield useful information.

In September 2001, the Secretary signed the *One VA EA Strategy, Governance and Implementation* document, establishing a governance structure within VA and assigning roles and responsibilities for the development and maintenance of the *One VA EA*. It assigns approval authority for the *One VA EA* to the Secretary himself through the VA Executive Board (VAEB). Review authority is assigned to the Strategic Management Council (SMC), chaired by the Deputy Secretary. Authority to direct the development of the *One VA EA* is assigned to the Enterprise Information Board (EIB), chaired by the Department CIO. The Enterprise Architecture Council (EAC) is also established and chaired by the Chief Architect to develop and maintain the *One VA EA*. Following the implementation of that governance structure and establishment of the EAC, a *One VA EA Implementation Plan* for FY 2002 was developed by the EAC and approved by the EIB (formerly called the Information Technology Board) on April 22, 2002, specifying the approach to be taken in the development of the initial version of the *One VA EA*, and how it would support the development of the Department's FY 2004 budget submission. The *One VA EA Directive* was also issued, requiring compliance across the entire Department with three documents: the EA Strategy, Governance and Implementation document; the *One VA EA Implementation Plan* document; and the *One VA EA* itself. This Directive also requires that the Implementation Plan be updated annually to reflect the specific priorities to be undertaken each year in the further development and maintenance of the *One VA EA*. Version 1.0 represents the initial effort in a continuing process of establishing and maintaining the *One VA EA*, and was developed by the EAC, approved by the EIB and SMC, and in September 2002 was signed by the Secretary.

Version 1.0 of the *One VA EA* establishes the Enterprise Business Functions (EBF) and Key Enabling Functions (KEF) to organize the top-level views from a business-focused, top-down perspective as follows:

Enterprise Business Functions

- Compensation
- Pension
- Vocational Rehabilitation & Employment
- Education
- Insurance
- Home Loan Guaranty
- Memorials & Burial
- Medical Care

Key Enabling Functions

- Finance and Accounting
- Acquisition & Materiel Management
- Information Technology
 - Telecommunications
 - Cyber Security
 - Data Center COOP
- Human Resources
- Training & Education
- Registration & Eligibility

- Contact Management
- Medical Research

Version 1.0 of the *One VA EA* also decomposes selected areas within these EBFs and KEFs beyond the top-level functional decomposition. The focuses of further development are areas that pertain to significant new project initiations or rebaselines in the FY 2004 budget submission. These areas include Telecommunications (rebaseline), Cyber Security (rebaseline), Data Center COOP (rebaseline), the Supplier Management within Finance and Accounting (rebaseline), Registration & Eligibility (new), Contact Management (new) and the Health Data Repository component of Medical Care (new). These areas have been the subject of a more detailed functional decomposition, identification of process threads (where appropriate), reconciliation of redundancies and integration points (both within VA, and with other Federal Departments and/or Agencies), along with the establishment of an allocated functional baseline.

Version 1.0 of the *One VA EA* also establishes detailed requirements for compliance and mechanisms for validation of that compliance at multiple events and in multiple Departmental processes including the Capital Planning and Investment Control process, the Project Management Oversight process, and the overall budget submission preparation process. Specific requirements for validation of *One VA EA* compliance within the Project Management Oversight process under the authority of the formally appointed Project Decision Authority (PDA) are listed in Section 2 of the *One VA EA* (Scope and Applicability), along with specific requirements for validation of *One VA EA* compliance within the Capital Planning process. During the overall preparation of the annual Department budget submission, all IT systems (including existing systems in sustainment mode) must identify their tie to the *One VA EA* by at least identifying the EBFs and KEFs along with the sub-functions from the perspective of the “*Planner’s View; Top Level Scope*” and the “*Business Owner’s View; Functional Decomposition and Allocation.*” The VA CIO and Deputy CIOs will validate compliance, as appropriate.

Means and Strategies

VA will maintain the *One VA Enterprise Architecture* that encompasses a vision of how current and emerging technologies can be used to meet the Department’s *One VA* world-class service goals and objectives. VA’s senior level staff, representing both business and information technology viewpoints from the three Administrations and the staff offices, worked together with IT and management experts and developed the *One VA Enterprise Architecture* and a structure for governing it. The resulting architecture document is a long-term roadmap for using IT to support the core business processes to achieve the Department’s mission.

VA will utilize the review and oversight mechanisms established in the *One-VA EA* to ensure that all IT projects being initiated and executed fully

comply with the *One VA EA*. Over time, this provides an intrinsic capability for ensuring integration of enterprise data and processes in support of business functions and will prevent proliferation of vertical silos of information and processes. Milestone (MS) Reviews, particularly MS 0 Project Initiation, MS 1 Approval for Prototype Development and MS 2 Approval for Full Scale Development, provide opportunities to ensure that the Allocated Functional Baseline established in the *One VA EA*, is being appropriately executed. These reviews also provide opportunity for ensuring developmental projects exploit integration opportunities wherever possible.

In addition, Version 1.0 of the *One VA EA* specifies the transformation of key infrastructure across the Department as a necessary enabler for Enterprise integration. It specifies the transformation of the telecommunications infrastructure through the Telecommunications Modernization Project (TMP), the transformation of the Cyber Security posture of the Department through the Enterprise Cyber Security Infrastructure Project (ECSIP) and the transformation of the Department's computing infrastructure through the Corporate Data Center Integration (CDCI) project, as well as the establishment of a Regional Computing initiative. Beyond these initiatives, several key opportunities for functional consolidation and integration are identified to include Registration and Eligibility, and Consolidated National Contract Management. Registration and Eligibility has been identified as an opportunity for consolidation not only within VA, but also in the interaction between VA and the Department of Defense. Both of these opportunities are being established as new initiatives within the FY 2004 budget submission and will be pursued vigorously.

Implement a *One VA* Information Technology Framework Information Security Program

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.3: Implement a *One VA* information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.

Situation Discussion

The purpose of the Department's Information Security Program is to provide services to the veteran that: 1) protect the confidentiality, integrity, and availability of their private information; 2) enable the timely, uninterrupted, and trusted nature of services provided; and 3) provide assurance that cost-effective cyber security controls are in place to protect automated information systems from financial fraud, waste, and abuse.

From a historical perspective, VA has encountered significant obstacles in attempting to develop an effective IT Security Program. IT programs within the Department were decentralized, and the core missions of VA were greatly diverse and conducted at over a thousand geographic locations. The Veterans Health Administration (VHA), which provides medical services to veterans, maintained IT systems at 163 medical centers, 137 nursing homes, 43 domiciliaries, 880 outpatient clinics, and 206 Vietnam Veteran Outreach Centers (Vet Centers). The Veterans Benefits Administration (VBA), which administers programs for compensation, pension, education, loan guaranty, vocational rehabilitation, and insurance, maintained IT systems at 57 regional offices. The National Cemetery Administration (NCA), which administers burial benefits, maintained IT capabilities at over 120 cemeteries. The Office of Management (OM) and VA Central Office (VACO) provided financial, personnel, and general administrative support for VA operations through data processing centers. These five Department components owned, operated, and/or used almost 900 IT systems and major applications, with those assets being managed by each respective component's CIO.

The diverse culture of each component, the geographical dispersion of their IT assets, and their associated decentralized management techniques contributed to inconsistent security policies and associated controls. Although VA had a central management group that issued security policies, the group lacked authority to provide oversight or monitor compliance with existing mandates. Independent and internal audits repeatedly cited significant, Department-wide IT security weaknesses.

By 1998, the Department acknowledged that insufficiencies in IT security controls had resulted in a reportable Material Weakness under the Federal Managers Financial Integrity Act (FMFIA). During the next few years, the lack of appropriate security controls for Department IT assets have been repeatedly emphasized by internal and external audits, as well as the subject of intense Congressional scrutiny and criticism.

During the past 18 months, aggressive action has been taken to ameliorate this adverse situation through effectively integrating IT security into all aspects of Department operations. At the core of this effort is VA's Office of Cyber Security (OCS), which was established in March 2001. The office is serving as the much-needed focal point for overall IT security planning and management activities, effective leveraging of existing resources, and implementation of security initiatives on a global basis within the Department.

OCS resources are authorized through a central fund. Each VA component contributes to this effort through the 'shared risk' concept, which is targeted toward achieving economies of scale through centralized security management of the Department's almost 900 IT systems and major applications.

It is anticipated the Secretary will approve a Department-wide IT centralization in FY 2003. Once approved, resources from the security groups of each of the Administrations and Staff Offices should be consolidated under OCS and staffing level and resources would be adjusted accordingly. This consolidation of personnel and funding does not represent an increase in the Department's overall IT spending, but will afford opportunities to enhance management control and accountability, streamline activities, eliminate duplicative efforts, and develop and apply global countermeasures to improve security.

Since 2001, VA has used the provisions of the Government Information Security Reform Act (GISRA) to sponsor annual Department-wide IT security assessments. The assessments involve an in-depth survey of the effectiveness of security policies, procedures, and implemented controls for each VA IT system. In coordination with Department components, OCS has developed an extensive Cyber Security Remediation Plan to address the deficiencies identified in the GISRA surveys, as well as findings from prior audits and independent reviews. This effort has included identification of those key weakness areas that should take immediate precedence for remediation in order to maximize resources and make the most significant improvement in the Department's overall security posture in the near-term. Priority activities include implementing a Department-wide Intrusion Detection System (IDS) to secure VA's data systems from deliberate external attack; fielding of a global anti-virus capability to better prevent and contain virus outbreaks; and, upgrading security features on the Department's external internet connections to mitigate peripheral threats.

Means and Strategies

Significant progress has already been accomplished in these areas. In February 2002, the Department's Strategic Management Council approved the Enterprise Cyber Security Infrastructure Project (ECSIP). ECSIP merges VA's actions to implement a Department-wide IDS capability and, concurrently, upgrade IT security controls on Internet Gateways.

ECSIP includes a methodology to systematically collapse the over 1,600 existing Internet gateways in VA into a more manageable number and efficient structure, as well as incrementally deploy IDS capability on a strategic basis to provide significantly increased security protections for these gateways on a cost-effective basis. As envisioned, the IDS effort will include a 24/7 Strategic Operations Center (SOC) to provide real-time analytical incident support, event correlation and analysis, audit log analysis, vulnerability scanning, and penetration scanning. Additionally, the SOC will provide a global "early warning" information-sharing network, in cooperation with homeland defense, law enforcement, Federal agency, vendor, university and international emergency response teams.

The first phase of the ECSIP pilot project, which entails the installation of a fully-configured gateway at the Austin Automation Center (AAC), has been concluded. The second phase, which involves operational testing and final cut-over of all AAC Internet traffic to the gateway, is anticipated to be completed in February 2003. Concurrent with this effort, the first SOC will become operational, and will provide management and monitoring capabilities for the Gateway. The final ECSIP gateway installation is scheduled for completion by late summer, 2004, with all VA external connections to the Internet passing through the limited number of ECSIP gateways by October 1, 2004. Design and implementation of this standardized architecture and configuration will better protect VA's information systems and internal critical information repositories from attack, and demonstrates the effectiveness of a single Department focal point for identifying, planning, and coordinating global efforts to rapidly improve VA's overall IT security posture on a cost-effective basis.

Also during the past year, VA established one of the largest single entity anti-virus capabilities in the world. This capability provides automated anti-virus scans for 150,000 IT desktops connected to VA's Intranet. These scans are conducted at least on a daily basis, with more frequent updates to virus signature files during critical periods. Automated records maintained by this capability indicate that VA's anti-virus program has detected, contained, and/or eradicated nearly one-half million viruses since its inception.

To ensure the continued success of this program, Department personnel are being afforded additional role-based training relating to associated equipment operating characteristics and maintenance requirements; servers are being

hardened consistent with optimized site configuration; and, an anti-virus analytical and warning capability is being established. This capability represents a central repository of all known virus signatures, and uses an automated tool which, within minutes of a virus attack on a VA machine, can identify the incident by virus type, version, and specific location of the equipment under attack. A warning is concurrently sent to the VA's Central Incident Response Capability, which issues a Department-wide Anti-virus alert. Fielding of this capability demonstrates VA's commitment to ensuring that, where possible, implementation of IT security controls are planned and managed to a "best in class" standard.

The overall schedule for implementation of VA's agency-wide cyber security program, which is targeted toward bringing the Department into full compliance with the provisions of GISRA, as well as eliminating the FMFIA Material Weaknesses, is as follows:

Milestones	Start		Complete	
	Planned	Actual	Planned	Actual
Establish and maintain a VA-wide security planning and management capability	Mar 01	Apr 01	Nov 01	Nov 01
Revamp security policies into a usable framework	Jun 01	Jun 01	July 02	May 02
Enhance security on Internet gateways and field a Department-wide intrusion detection system	Jan 02	Feb 02	Oct 04	
Establish an anti-virus capability	Jun 01	Aug 01	Dec 01	Feb 02
Institute a professionalization program for cyber security practitioners	May 02	Jul 02	Sep 03	
Develop an IT system certification and accreditation program	Dec 01	Mar 02	Jan 03	Dec 02
Submit an IT Security Capital Investment Application to the Strategic Management Council	May 01	May 01	May 02	Jun 02
Submit GISRA reports and corrective action plans to the Office of Management and Budget	Nov 01	Nov 01	Oct 02	Oct 02

Implement a *One VA* Information Technology Framework Telecommunications Modernization Project (TMP)

The Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.3: Implement a *One VA* information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.

Situation Discussion

In 2002, \$2 million was reprogrammed for Department-wide telecommunications modernization design and planning. The Telecommunications Modernization Project (TMP) optimizes the existing wide-area network (WAN) into a national integrated services platform capable of supporting all business functions. The TMP is consistent with VA's enabling goal to create a *One VA* IT Framework, and it makes more efficient use of network capacity through enhanced optimization and integration planning. Investment in TMP is self-supporting through continued capitalization of reductions in telecommunications sustaining costs as the project successfully completes each phased milestone. The new TMP network will provide the scalability and flexibility to support overall VA business decisions and operational processes. The project is implemented according to the optimization portion of the FTS2001 capital investment plan, approved by the SMC.

Means and Strategies

The TMP is divided into four project phases, each facilitating the evolution of the existing VA WAN infrastructure into the optimized WAN platform. The four project phases include:

Phase I - Transfer operations and maintenance of WAN to vendor - Complete

Phase II - Optimize current backbone topology - Complete

Phase III - Migrate to a three-tiered hierarchal backbone architecture, focus on core and distribution layer design and optimization - Design completed in Phase II

Phase IV - Implement access layer design and optimization to extend TMP to all VA facilities - Design to be complete during Phase III.

The current TMP effort centers on Phase III design and migration. Network design was brought in-house and a TMP Design Team was established to develop the core and distribution layer design and implementation approach.

The Design Team is made up of VA and contractor representatives who are familiar with existing VA business and data center requirements, WAN technology, national VA application platforms, and overall VA operations.

The Design Team concluded that the existing six-node WAN core layer would require re-engineering to a fully meshed four-node core backbone. The core nodes will be co-located at the current service provider ISPs sites to facilitate circuit provisioning and peripheral networking and security requirements. The team further defined the distribution layer using specific evaluation criteria to select distribution node locations, based on existing networking resources, business and regional data center requirements, and regional tenet requirements for WAN services.

Phase IV of the TMP will address specific access layer design and optimization.

Once in place, VA's enterprise network will require consistent oversight, project management and contract administration. This will ensure the network is kept current, accurate and fulfills its goals and requirements in serving the agency, its employees, stakeholders and most important its business base -- veterans and their families.

Schedule and Goals

FY 2003

Optimize the core of the One-VA TMP network to support regional service

Support Service Level Agreements (SLA)s for every service delivery point

Establish an 7X24X365 Network Coordination Center to continually monitor the health of the network and take action to resolve service delivery problems

FY 2004

- Extend service delivery from the optimized core to all VA facilities to complete the project

FY2005

- Operations and network sustainment.

Apply Sound Business Principles and Ensure Accountability

Ratio of Collections to Billings

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

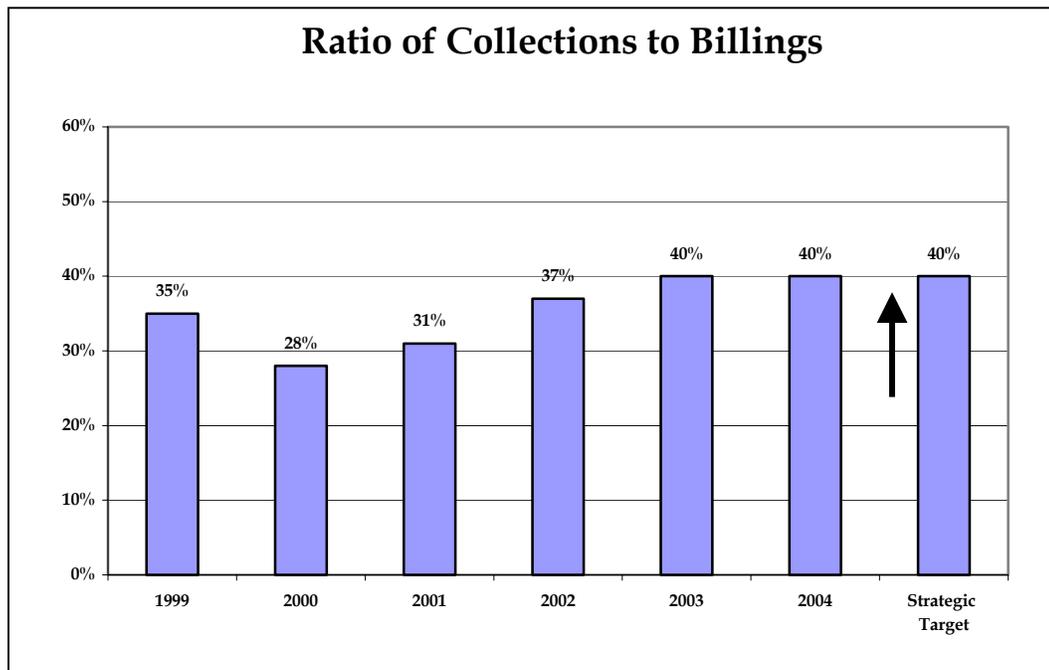
Objective E.4: Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

Performance Goal

- Maintain the ratio of collections to billings at 40%.

Definition: The calculation of the ratio of collections to billings is total cumulative collections divided by total cumulative billings to get the percent of collections to billings ratio.

Current Situation Discussion



VHA's strategic objective to address the strategic goal and the Secretary's priority is to *Maximize Resource Use to Benefit Veterans*. VHA has developed a number of performance measures relating to space, costs, revenue, and value provided to monitor its progress in achieving this objective. One of the areas VHA is concentrating its efforts is in improving collections of 1st and 3rd party billings. The billings to 1st parties are to individuals and billings to 3rd parties are

to insurance companies. VHA has recently reorganized this function creating the Revenue Office to develop and implement a revenue cycle improvement plan that describes the vision of the VHA Revenue Program, outlines an action plan for improved performance, and defines performance measures and goals that stress standardization of policy, technology, data capture, measurement, training and education, accountability, and achievement. The plan outlines recommended actions required to improve the core business processes of the revenue cycle.

Means and Strategies

VHA will fully implement the revenue cycle improvement plan to maintain the ratio of collections to billings. Specific actions underway include implementing an electronic insurance identification and verification system to improve efficiency and accuracy. VHA is creating comprehensive education programs for veterans, and clinical and administrative staff to assure understanding of the program. The use of encoder and claims analyzer software has been mandated to standardize procedures. Follow-up of 3rd party accounts receivable will be consolidated and outsourced to improve the effectiveness of follow-up activities. VHA will enforce existing national documentation policy.

VHA will work with the Center for Medicare/Medicaid Services (CMS) contractors for the purpose of providing VA with a Medicare-equivalent remittance advice (MRA) for veterans using VA services and are covered by Medicare. The MRAs will reflect the deductible and coinsurance amounts that Medicare supplemental insurers will use to reimburse VA for health care services VA provides to veterans for non-service connected treatment.

External Factors

The success in maintaining the ratio of collections to billings will depend in part on the cooperation of veterans and private insurance companies to pay their bills.

Major Management Challenges

Both GAO and the IG have identified medical care collections as a major management challenge. Problems cited included missed billing opportunities, billing backlogs, and minimal follow-up on accounts receivable. The newly formed Revenue Office is implementing a revenue cycle improvement plan that addresses these issues.

Data Source and Validation

The collections and billed data come from the National Data Base in the Allocation Resource Center (ARC), which includes data from the FMS data. These data are routinely validated for accuracy.

Apply Sound Business Principles and Ensure Accountability

Dollar Value of Sharing Agreements With DoD

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.4: Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

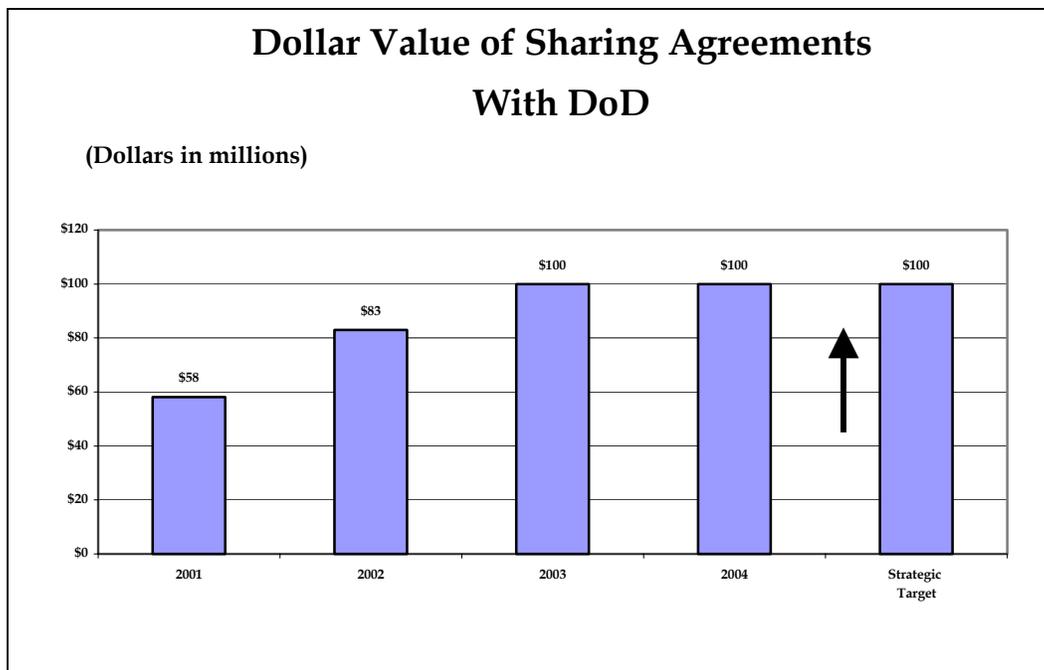
Performance Goal

- Maintain the dollar value of sharing agreements with DoD at 100 million dollars per year.

Definition: This measure is based on the total dollar value of sharing agreements VA has entered into with DoD.

Current Situation Discussion

VHA's strategic objective to address the strategic goal and the Secretary's priority is to *Maximize Resource Use to Benefit Veterans*. VA has entered into a number of sharing agreements with DoD ranging from joint purchasing of supplies and equipment to providing direct medical care. VA and DoD also use other contracting authority to jointly procure pharmaceuticals, medical/surgical supplies and equipment.



Means and Strategies

VHA and DoD work collaboratively through the VA/DoD Health Care Executive Committee to drive the sharing process. Performance is monitored by the Executive Committee. Large local initiatives such as the proposed North Chicago sharing agreement with the Navy and national collaboration on the T-Nex (Tricare Next Generation) RFP (Request for Proposals) will also drive increases. VBA has an Interagency Service Agreement with DoD at selected overseas military bases to perform disability examinations at discharge and provide support services to VBA personnel. The VBA portion of the total dollar value of VA/DoD sharing agreements in FY 2004 is less than 3 percent.

In support of the ongoing work of the VA/DoD Joint Executive Council, the two Departments are currently developing a strategic plan that will identify opportunities for greater coordination and collaboration. Six draft strategic goals have been developed: leadership commitment and accountability; high-quality health care; seamless coordination of benefits; integrated information sharing; efficiency of operations; and joint contingency/readiness capabilities. Officials from both Departments are meeting on a regular basis to refine the strategic goals as necessary, and to develop objectives, strategies, and performance measures to support each goal.

DEERS is a computerized enrollment and eligibility database of military sponsors, families and others worldwide who are entitled under the law to TRICARE benefits. DEERS registration is required for TRICARE eligibility. VA and DoD submitted a joint IT business case to develop an integrated, shared registration and eligibility system that leverages DEERS with the *One-VA* Registration and Eligibility solution. During FY 04, VA plans to test an integration solution that creates a VA data repository with an electronic connection to DEERS.

The VA has seven (7) Consolidated Mail Outpatient Pharmacies (CMOPs) that mail out prescriptions to our veterans. VA mail prescription workloads are usually processed through the CMOP in 24 hours and received by the patient within 3 days of mailing from the CMOP. The Department of Defense (DoD) has Medical Treatment Facilities (MTF) that dispense prescriptions for military personnel, their families and military retirees. Prescription workloads at the MTFs have increased due to Tricare for Life benefits. The Pharmacist shortage and the inability to recruit affects both the VA and DoD. The CMOP program can be a cost-effective method of providing mail prescription benefit to both VA and DoD.

Crosscutting Activities

VA and DoD work to increase utilization of the same pharmaceutical and medical products resulting in increased leverage during Federal Supply Schedule or other joint contracting negotiations.

Four traumatic brain injury (TBI) lead centers have been jointly established and cooperatively funded by VA and DoD to receive and screen all TBI patients and maintain a national registry of TBI patients.

VA, by Public Law 97-174, has the added mission to serve as principal health care backup to DoD in the event of war or national emergency. VA, at the request of DoD, may authorize DoD to use its medical facilities (hospital and nursing home care), medical services, office space, supplies, and administrative support.

VA partners with DoD's Pacific e-Health Center in Honolulu, HI, to provide peer consultation and patient care to participants separated by distance.

VA and DoD participate in the Alaska Federal Health Care Partnership, with a goal of providing specialized care to isolated or remote patient populations in Alaska.

The Cooperative Studies Program collaborates with DoD on a number of studies, including an antibiotic treatment trial and an exercise/behavioral medicine treatment trial for Gulf War Syndrome.

Major Management Challenges

The General Accounting Office (GAO) has identified Health Care Resource Utilization as a major management challenge. To expand care to more veterans and respond to emerging health care needs, VA must continue to pursue opportunities to use its health care resources more wisely. VA needs to pursue additional opportunities with DoD to determine cost-effective ways to serve both veterans and military personnel, including sharing services and facilities. VA has responded through an active VA/DoD Executive Council. Recently VA's Deputy Secretary and the Under Secretary for Defense for Personnel and Readiness approved three initiatives, i.e., a single reimbursement rate for all direct VA/DoD clinical sharing agreements; a joint strategic planning initiative which is designed to develop a common vision and set of objectives for interdepartmental sharing for the future; and the Federal Health Information Exchange which is intended to enable the electronic exchange of health information between the Departments' disparate systems as well as with VA and DoD partners who provide health care to federal beneficiaries.

Data Source and Validation

Data are collected and reported by the VHA Medical Sharing Office based on information in VHA's accounting system or actual collections or obligations. The dollar value for pharmaceuticals and medical supplies is based on annual estimates of procurements based on historical procurement patterns. Data in VBA are collected and reported by the Compensation and Pension Service based on information in VBA's accounting system.

Apply Sound Business Principles and Ensure Accountability

Program Evaluation

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.4: Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

Current Situation Discussion

Program evaluations are used to assess, develop, and/or update program outcomes, goals, and objectives and to compare actual program results with established goals. Program evaluations assess the accomplishment of general goals and objectives included in the Department's Strategic Plan and contribute to the revision of such goals and objectives. The VA Strategic Plan includes a description of how program evaluations impact the Department's goals and objectives, along with a schedule for future evaluations. Outcome measures identified or enhanced during the conduct of program evaluations are included in annual performance plans and will be used to continually refine the Strategic Plan. VA's goal is to re-evaluate programs on a 10-year cycle.

Program evaluations assess the:

- Extent to which program outcome goals are being met and the extent to which current performance affects program outcomes;
- Interrelationships between VA programs and other Federal programs to determine how well these programs complement one another;
- Needs and requirements of veterans and their dependents in the future to ensure the nature and scope of future benefits and services are aligned with the changing needs and expectations of veterans and their dependents;
- Adequacy of outcome measures in determining the extent to which the programs are achieving intended purposes and outcomes.

In addition, program evaluations fill existing data gaps, particularly relating to outcome information that can only be obtained directly from veterans and beneficiaries. These studies also provide an opportunity to objectively and independently analyze VA programs and yield information useful in developing policy positions. Proposals for future benefit packages and improvement in existing programs evolve from the process of evaluating programs.

Means and Strategies

Consistent with legislative intent and 38 CFR §1.15, the Office of Policy and Planning, an organizational entity not responsible for program administration, is responsible for the operational aspects of program evaluation providing an unbiased, third-party perspective. Within VA, most program evaluations are conducted through contracts, which further enhances third-party objectivity. In all cases, the evaluations are managed using a team approach that includes program officials. For each evaluation, an evaluation team develops the statement of work and oversees the execution of the contract. Pre-evaluation planning and post-evaluation discussion of results and related recommendations involve our major stakeholders including OMB, Congressional staff, and veterans service organizations.

Status

The following is a list of planned program evaluations, by strategic goal:

Strategic Goal: Restore the capability of disabled veterans to the greatest extent possible and improve their quality of life and that of their families.

- Disability Compensation (scheduled to start in 2004)
- Vocational Rehabilitation (scheduled to start in 2005)

Strategic Goal: Ensure a smooth transition for veterans from active military service to civilian life.

- Home Loan Program (started in 2002 and planned for completion in 2004)
- Readjustment Counseling (scheduled to begin in 2003)

Strategic Goal: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.

- Diabetes (scheduled to begin in 2003)
- Seriously Mentally Ill and Post Traumatic Stress Disorder (scheduled to begin in 2004)
- Prosthetic (scheduled for completion in 2003)
- Cardiac (scheduled for completion in 2003)

Apply Sound Business Principles and Ensure Accountability

Capital Asset Management

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E.4: Improve the overall governance and performance of VA by applying sound business principles, ensuring accountability, and enhancing our management of resources through improved capital asset management; acquisition and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

Situation Discussion

Capital asset management is one of the business processes under the Business Oversight Board (BOB). This year has been one of change for capital asset management. The process was created in June 1997 to foster a Departmental approach to the use of capital funds and to ensure all major capital investment proposals, including high risk and/or mission-critical projects, are based upon sound economic principles and are fully linked to strategic planning, budget, and performance goals. The Department has demonstrated excellent progress in implementing both the principles and practices of performance-based acquisition management. VA was the first civilian agency to develop an agency-wide capital planning process which allows for investment trade-offs, both among and between, categories of assets, i.e., medical and non-medical equipment, information technology, infrastructure, and leases.

Means and Strategies

VA continues to move forward in capital asset management with a focus on portfolio management. This includes instituting a comprehensive business approach to portfolio management and long-range planning, defining an optimal portfolio system, and defining portfolio performance goals and measures. The building of a comprehensive portfolio system requires a phased methodical approach for implementation with a clearly defined structure, goals, measures, and benchmarks. Once validated and analyzed, the data report performance and ultimately identify opportunities to leverage VA assets and maximize VA's portfolio value.

High-level portfolio goals are to decrease operational costs, reduce energy utilization, decrease underutilized capacity, increase intra/inter-agency and community-based sharing, increase revenue opportunities, and increase the highest and best use of VA assets while safeguarding them. While all of these goals do not apply to each administration, collectively they demonstrate VA's desire to manage VA assets from a corporate perspective with a focus on service delivery, maximizing the functional and financial value of the assets.

As indicated, the 2004 cycle has been one of change including how projects were evaluated for inclusion in the budget. For medical care, except for one project in VISN 12 (which has completed a CARES study), we are submitting a funding methodology in lieu of specific projects. The following projects have been approved and submitted as part of the budget request for 2004.

Detroit National Cemetery

Project Description: This project will develop approximately 15,468 gravesites (16 net acres), of which 2,711 will be for cremated remains. This project will include a Fast Track to expedite service to veterans and their families and provide a small area to accept full casket burials approximately a year in advance of the Phase 1 dedication. Phase 1 development will provide for approximately 4-5 years of burials by developing approximately 20 acres to include the design and construction of numerous elements and features.

2004 Budget Request: \$8.7 million

Fort Snelling National Cemetery Expansion

Project Description: This project will construct for a 10-year capacity including 15,000 full casket gravesites; 10,000 columbarium niches; a new equipment storage building; and supporting infrastructures for the new development. Also, it will include renovation of the existing administration building to include functioning as a public information center, renovation of maintenance buildings, expansion and renovation of the existing irrigation system, road improvements, curbs, and perimeter fencing renovations.

FY 2004 Budget Request: \$24.8 million

Barrancas National Cemetery Expansion

Project Description: This project will develop expanded burial areas on newly acquired land of 45 acres to include approximately 6,300 full-casket gravesites with 5,000 pre-placed crypts and development of approximately 2,500 in-ground and columbaria niches. Quantities will be sufficient to support a 10-year projection of burial needs. The project will include supporting infrastructure such as roads and utilities, a new satellite maintenance facility, two new committal shelters, a new public restroom, an automated information kiosk, and new boundary fencing installed in coordination with existing boundary walls.

2004 Budget Request: \$12 million

Chicago, Illinois - New Inpatient Bed Building

Project Description: project will consolidate the two-inpatient sites of care, Lakeside and West Side, which are located in 50-year old facilities approximately five miles apart. Construction includes a new bed tower to house all inpatient bed and operating rooms, at the West Side Division. The building will be

connected to Building 1, the existing hospital where ancillary support and diagnostic functions will remain. Building 1 will provide for consolidated renovated inpatient support services. The typical floor area for this structure has been assumed to be 43,000 gross square feet.

2004 Budget Request: \$98.5 million. This project may be funded by enhanced-use lease revenues.